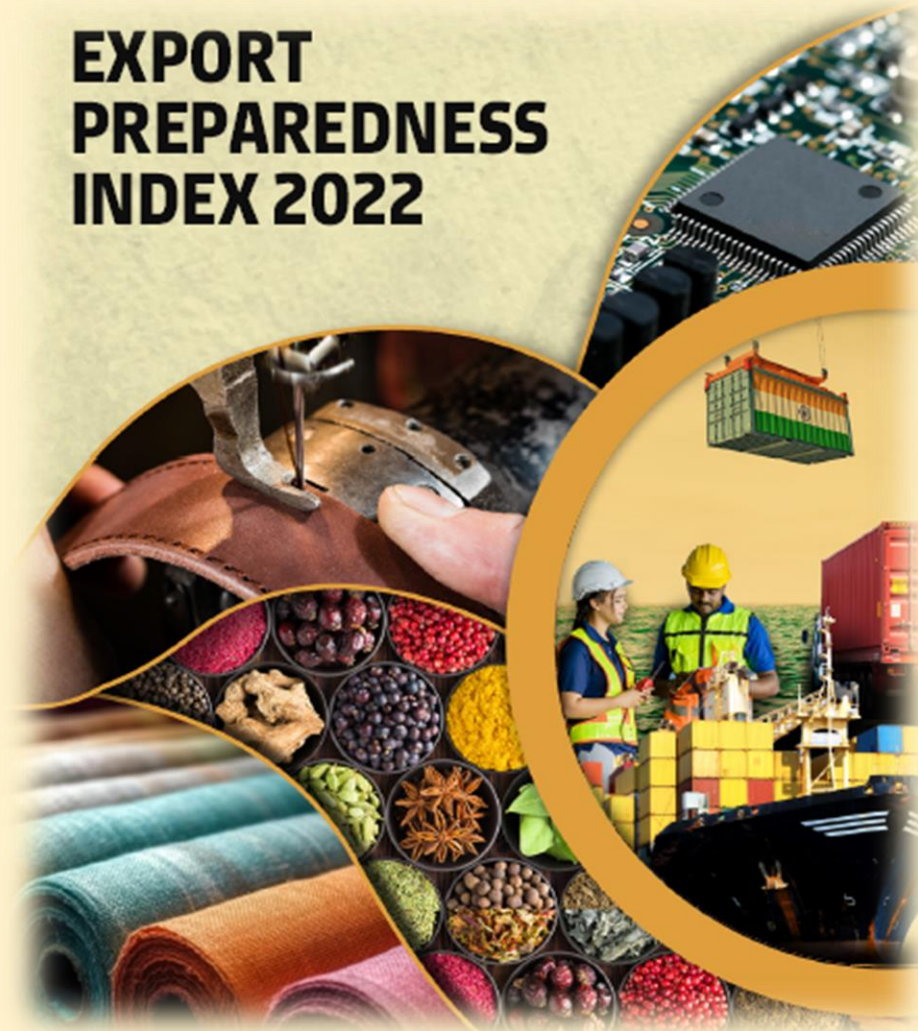


EXPORT PREPAREDNESS INDEX 2022



What is the Export Preparedness Index (EPI)?

Why is it important.

- The Export Preparedness Index (EPI) is a **comprehensive data-driven tool** that assesses the export readiness of Indian States and Union Territories (UTs).
- It **ranks states and UTs** based on their performance and index scores, providing a clear understanding of their export potential and capabilities.
- EPI analysis highlights the opportunities and bottlenecks for each region, enabling **targeted strategies** to be devised to enhance the export competitiveness of States / UTs.
- EPI **fosters cooperative & competitive federalism** by encouraging **cross-learning** amongst States and tailor their policies to **leverage their unique strengths**.
- By utilizing EPI insights, states and UTs can **make informed decisions, promote export growth**, and contribute to the overall economic development of the country.

Significance of EPI 2022

India's export strategy

- Successfully reached \$400 billion of merchandise exports in 2021-22, ahead of target
- Sustained growth is essential for achieving the goal of a \$5 trillion economy by 2024-25.

Role at Subnational Level

- Consistent efforts required at a sub-national level.
- Recognizes the geographical and economic diversities and how to leverage them.
- Promotes Customised growth strategies as against One-Size-Fits-All approach

Harnessing their Potential and devising tailored export strategies

- Evaluates states' preparedness for exports.
- Provides insights into global trade and district-level export conditions within states.
- Enables the identification of context-specific challenges.

Evolution of EPI : 2020 - 2022

EPI 2020

EPI 2020 had a total of 55 indicators. Adequate information was not provided by seven states and Union Territories, consequently, data was used from publicly available reliable sources.

EPI 2021

EPI 2021 had a total of 60 indicators. It was observed that the granularity of data had improved, and there were changes in the methodology and weights assigned to new indicators.

EPI 2022

EPI 2022 has a total of 51 indicators. Framework is an improved version as it also includes information about the export-related policy at the district level. **Moreover, almost all* states/UTs have provided data in this iteration.**

**except only 4 UTs, Ladakh, Chandigarh, Lakshadweep and Dadra Nagar Haveli, Daman and Diu.*

Rationale

- ❖ EPI is based on a combination of **4 pillars that are key in improving regional exports**
- ❖ Each pillar was **decided upon after extensive interactions with the states** and key stakeholders in the government
- ❖ The weightages for each pillar is based upon the **relative importance of the pillar**.



Policy

Policy : existence of favourable trade policy in a region; it forms basis for strategic advantage to stakeholders and provides a vision of state government.



Business Ecosystem

Business Ecosystem : existence of efficient business ecosystem. It strengthens the backward and forward linkages of the exporting industry, thereby enhancing their output and growth.



Export Ecosystem

Export Ecosystem : evaluates ability of a state to drive competition and growth in the export specific sector.



Export Performance

Export Performance : an output-based pillar to examine state's achievements & improvements in the export sector. It constitutes Growth and Diversification of exports.

Framework

Export Preparedness Index Framework



PROCESS TO FINALISE THE FRAMEWORK

THE IDEA

Developing 3rd Edition (2022) Framework for EPI

UNDERSTANDING CONCEPT

Gain understanding about the new concept and methodology

CONDUCTING STAKEHOLDER INTERACTIONS

Incorporate essential feedback from States, UTs & representatives from RBI , DGFT, EXIM Bank and DGCIS.

FINALIZING THE FRAMEWORK

12 indicators were removed, 5 were modified and 10 more were added post stakeholders meeting interactions concluded.

PRELIMINARY INDEX CALCULATIONS

This included data collation, calculation, dealing with missing values, data transformation and aggregation of scores

Categorization of States / UTs

- There is vast heterogeneity across Indian states/UTs in terms of **geographical size, stage of development, sociocultural factors, and policies**. Accordingly, States have been **classified in two stages**.
- **Stage 1**: Based on their geographical area into Major and Minor/Small States.
- **Stage 2**: Within Major states into Coastal and Landlocked states, Minor states into Himalayan states and Union territory/ Small states. *(Based on their geographical outreach)*

MAJOR STATES		SMALL STATES / UTs	
Group A Coastal States	Group B Landlocked States	Group C Himalayan States	Group D Small States/UTs
<ul style="list-style-type: none">• Andhra Pradesh (13)• Gujarat (33)• Karnataka (30)• Kerala (14)• Maharashtra (36)• Odisha (30)• Tamil Nadu (38)• West Bengal (25)	<ul style="list-style-type: none">• Assam (35)• Bihar (38)• Chhattisgarh (28)• Haryana (22)• Jharkhand (24)• Madhya Pradesh (52)• Punjab (23)• Rajasthan (33)• Uttar Pradesh (75)• Telangana (34)	<ul style="list-style-type: none">• Arunachal Pradesh (26)• Himachal Pradesh (12)• Manipur (16)• Meghalaya (11)• Mizoram (11)• Nagaland (16)• Sikkim (6)• Tripura (8)• Uttarakhand (13)	<ul style="list-style-type: none">• Andaman and Nicobar Islands (3)• Chandigarh (1)• Dadra Nagar and Haveli & Daman and Diu (3)• Delhi (11)• Goa (2)• Jammu and Kashmir (20)• Ladakh (2)• Lakshadweep (1)• Puducherry (4)

Methodology of EPI 2022

Data Collection

Data is collected using datasets through State / UT Governments, published Government sources and ministries including DGFT, DGCIS, Dept of Commerce, RBI, DPIIT etc.

Standardizing Scores

Standardize the indicators to make them comparable; Multiplying each indicator with its specified weight.

$$\text{Standardized value of indicator} = \left(\frac{X - \text{Mean}}{\text{Standard Deviation}} \right)$$

Computation of Final Scores

Aggregated weighted values of Indicators are used to obtain sub-pillar scores for each state/UT.

X = Indicator score
Y = Number of sub-pillars

$$\text{Sub - pillar score} = \left(\frac{X_j - \min}{\max - \min} \right) * 100$$

Average of sub-pillar scores is calculated to obtain the pillar score for each state and UT.

$$\text{Pillar}_s = \sum \text{Sub-Pillar}_s / Y$$

Average of Pillar scores is taken to reach the final EPI score.

$$\text{Export Preparedness Index}_s = (20 \% \text{ Policy}_s) + (40 \% \text{ Business Ecosystem}_s) + (20\% \text{ Export Ecosystem}_s) + (20\% \text{ Export Performance}_s)$$

Export Preparedness Index 2022

State / UT wise Ranking

EPI Ranking of States and UTs Category-wise

Coastal

Rank	State	Score
1	Tamil Nadu	80.89
2	Maharashtra	78.20
3	Karnataka	76.36
4	Gujarat	73.22
5	Andhra Pradesh	59.27
6	Odisha	58.84
7	West Bengal	53.57
8	Kerala	44.03

Himalayan

Rank	State	Score
1	Uttarakhand	59.13
2	Himachal Pradesh	52.25
3	Manipur	40.77
4	Tripura	38.30
5	Sikkim	36.86
6	Nagaland	34.63
7	Meghalaya	24.34
8	Arunachal Pradesh	19.92
9	Mizoram	16.96

EPI Ranking of States and UTs Category-wise (contd.)

UTs/Small States

Rank	State	Score
1	Goa	51.58
2	Jammu & Kashmir	47.79
3	Delhi	47.69
4	Andaman & Nicobar Islands	40.65
5	Ladakh	31.51
6	Chandigarh	31.27
7	Puducherry	24.24
8	Dadra Nagar Haveli & Daman and Diu	18.74
9	Lakshadweep	11.30

Landlocked

Rank	State	Score
1	Haryana	63.65
2	Telangana	61.36
3	Uttar Pradesh	61.23
4	Punjab	58.95
5	Madhya Pradesh	55.68
6	Rajasthan	54.80
7	Jharkhand	43.91
8	Assam	43.19
9	Bihar	41.06
10	Chhattisgarh	39.10

Pillar-wise Top 10 States

Policy Pillar

Rank	State	Category	Score
1	Karnataka	Coastal	100.00
2	Gujarat	Coastal	99.52
3	Haryana	Landlocked	99.52
4	Andhra Pradesh	Coastal	99.52
5	Uttarakhand	Himalayan	99.52
6	Odisha	Coastal	99.52
7	Goa	UT/Small States	99.52
8	Jammu and Kashmir	UT/Small States	99.52
9	Ladakh	UT/Small States	99.52
10	Maharashtra	Coastal	98.71

Business Ecosystem

Rank	State	Category	Score
1	Karnataka	Coastal	89.29
2	Tamil nadu	Coastal	88.91
3	Maharashtra	Coastal	79.36
4	Delhi	UT/Small States	65.33
5	Haryana	Landlocked	62.00
6	Punjab	Landlocked	59.74
7	Telangana	Landlocked	58.48
8	Gujarat	Coastal	57.69
9	Goa	UT/Small States	51.86
10	Uttarakhand	Himalayan	49.79

Pillar-wise Top 10 States (contd.)

Export Performance

Rank	State	Category	Score
1	Gujarat	Coastal	100.00
2	Tamil nadu	Coastal	63.34
3	Maharashtra	Coastal	59.14
4	Rajasthan	Landlocked	51.55
5	Uttar Pradesh	Landlocked	51.28
6	Haryana	Landlocked	49.75
7	Odisha	Coastal	45.05
8	Punjab	Landlocked	44.79
9	Karnataka	Coastal	41.55
10	Andhra Pradesh	Coastal	41.10

Export Ecosystem

Rank	State	Category	Score
1	Maharashtra	Coastal	76.09
2	Tamil nadu	Coastal	73.68
3	Karnataka	Coastal	70.89
4	Telangana	Landlocked	60.69
5	Uttar Pradesh	Landlocked	56.94
6	Andhra Pradesh	Coastal	55.87
7	Uttarakhand	Himalayan	55.44
8	Madhya Pradesh	Landlocked	54.69
9	Manipur	Himalayan	53.79
10	Gujarat	Coastal	53.37

Results of EPI 2022

Key Learnings



Existence of regional disparity in export performance with coastal states performing the best.



Scope of Improvement in Business Ecosystem in terms of transport connectivity, business infrastructure, and cluster strength.



Export Ecosystem can benefit with better export infrastructure in states, and exporter-oriented measures such as organizing workshops and trade fairs.



States can diversify their export baskets to leverage their regional advantages.

Recommendations



Overcoming regional disparity across the country requires context-specific solutions devised by the state governments.



States can promote exports of GI products to leverage their regional diversity.



Strengthening manufacturing sector, and investing in High Growth sectors such as IT, Pharmaceuticals, Renewable Energy can help business opportunities in a state.



FTAs and ECTAs signed by India can be leveraged by state governments to tap into new markets and improve their global footprint.



Improved data of exports – state-level service export, source of origin of a product, is necessary for better evaluation.

Uniqueness of EPI 2022

Resilient Growth in Exports

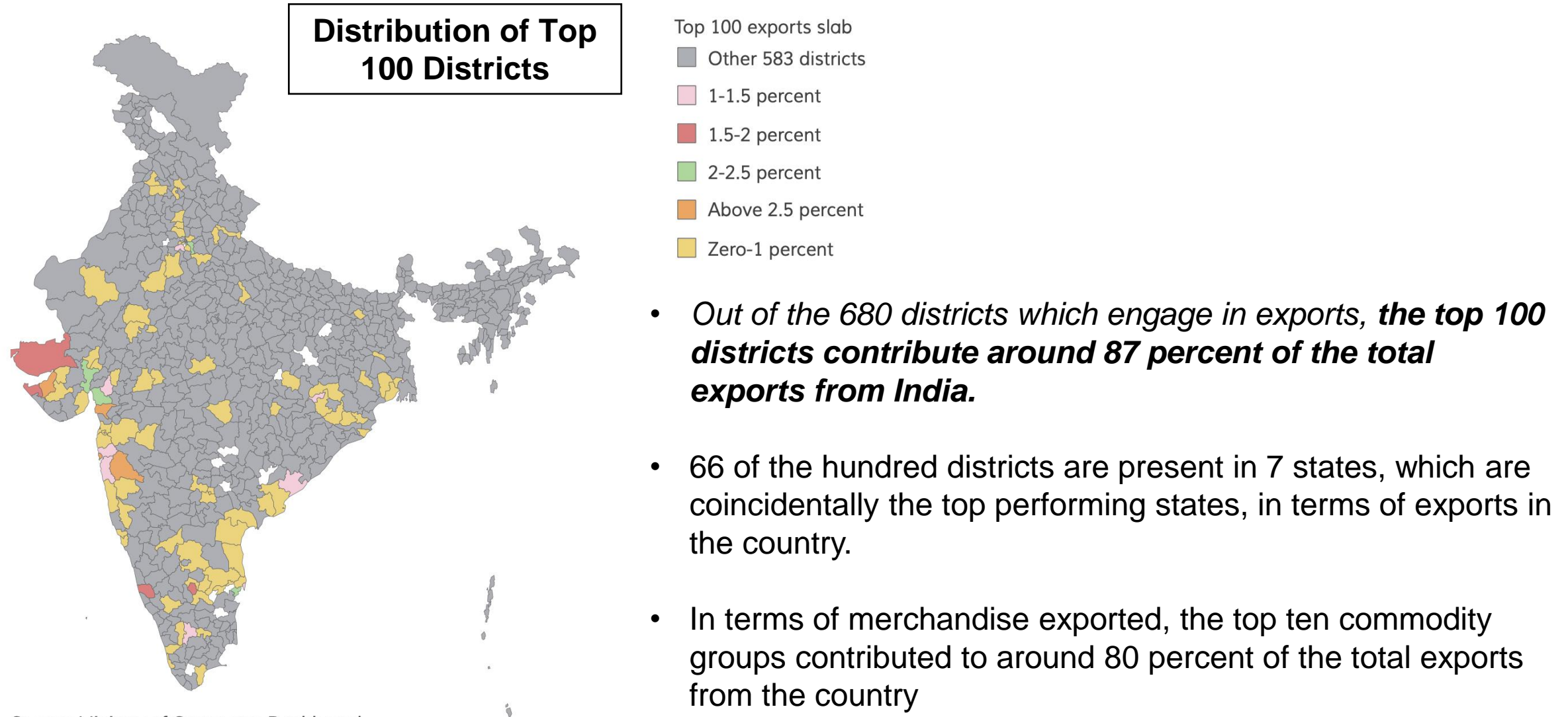
- **Indian exports surpassed pre-covid levels and recuperated strongly**, registering a positive growth. The timely initiatives of the States and Central government played a vital role in fostering growth in Indian exports.

Focus on Districts as Export Hubs

- Hon'ble PM's clarion call to create '**District as Export Hubs**' (DEHs) aims to unlock their potential and improve exports at the district level.
- Focus on DEHs create a **competitive space in the global export market** and enhances India's competitiveness.
- Decentralization of export promotion will help **overcome regional disparities in India**.
- **EPI 2022 explores condition of export at district-level** and support the states' preparedness along the vision of establishing Districts as Export Hubs.

Focus on Districts as Export Hubs

India's – District Level Export Trends



Top 10 Export Districts of India

All Commodities

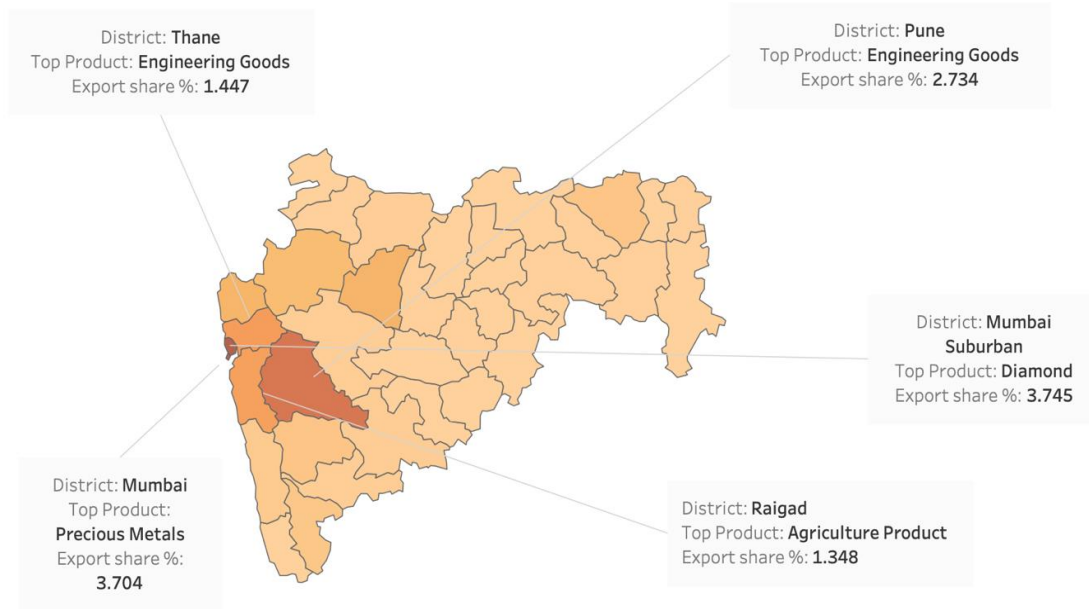
Rank	District	State	Contribution (%)
1	Jamnagar	Gujarat	12.18%
2	Surat	Gujarat	4.57%
3	Mumbai Suburban	Maharashtra	3.75%
4	Mumbai	Maharashtra	3.70%
5	Pune	Maharashtra	2.73%
6	Bharuch	Gujarat	2.37%
7	Kanchipuram	Tamil Nadu	2.36%
8	Ahmadabad	Gujarat	2.28%
9	Gautam Buddha Nagar	Uttar Pradesh	2.18%
10	Bengaluru Urban	Karnataka	1.90%

All Commodities (except Gems and Petroleum)

Rank	District	State	Contribution (%)
1	Pune	Maharashtra	3.59%
2	Bharuch	Gujarat	3.11%
3	Kanchipuram	Tamil Nadu	3.10%
4	Ahmadabad	Gujarat	3.00%
5	Gautam Buddha Nagar	Uttar Pradesh	2.80%
6	Mumbai	Maharashtra	2.55%
7	Bengaluru Urban	Karnataka	2.49%
8	Kachchh	Gujarat	2.35%
9	Thane	Maharashtra	1.87%
10	Visakhapatnam	Andhra Pradesh	1.80%

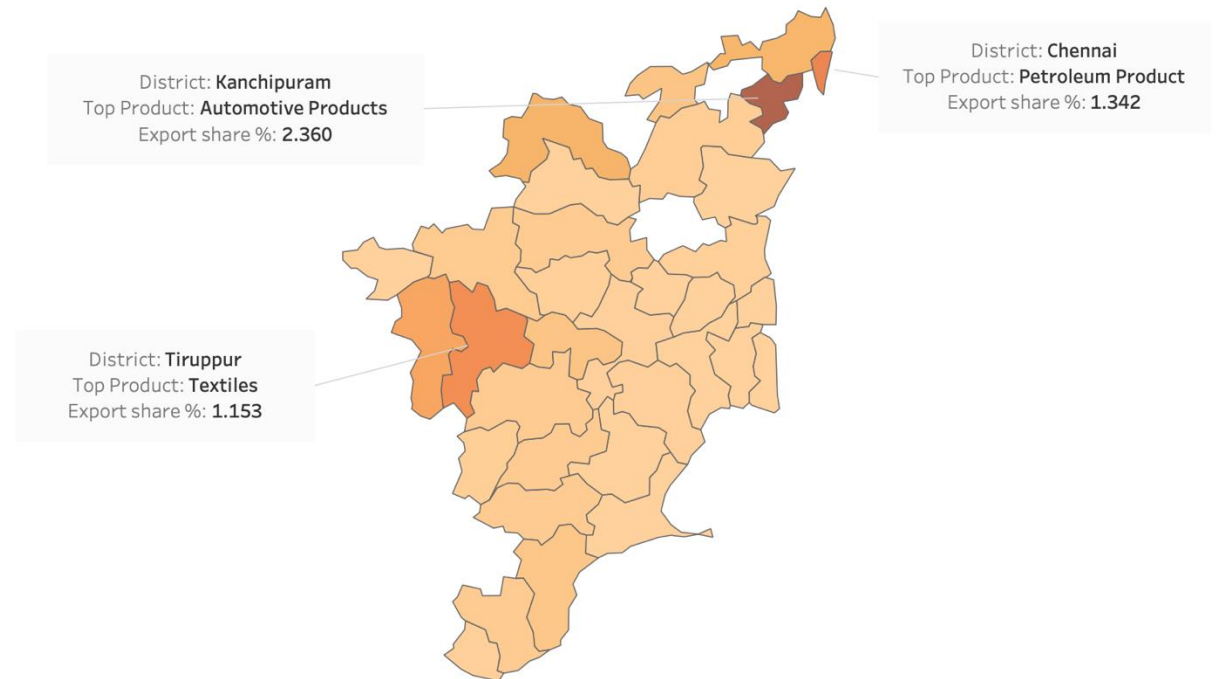
Case Studies – District Level Export Trends

District Profile: Maharashtra



- **3 of its top-performing districts – Mumbai Suburban, Mumbai, and Pune constitute around 10 percent of all exports from the country.**
- Tapping into their local potential, DEPC of these districts have taken institutional measures, such as promoting Farmer Producer Organizations in Pune, as well as disseminating market intelligence, and monitoring performance of their products.

District Profile: Tamil Nadu



- At the district-level, Kanchipuram, Chennai, and Tiruppur are its leading districts.
- **To boost exports, Tamil Nadu has identified Biotechnological Products, Marine Products, Software services, and Auto Components as thrust sectors.**

Export Concentration in India: Top 25 Districts

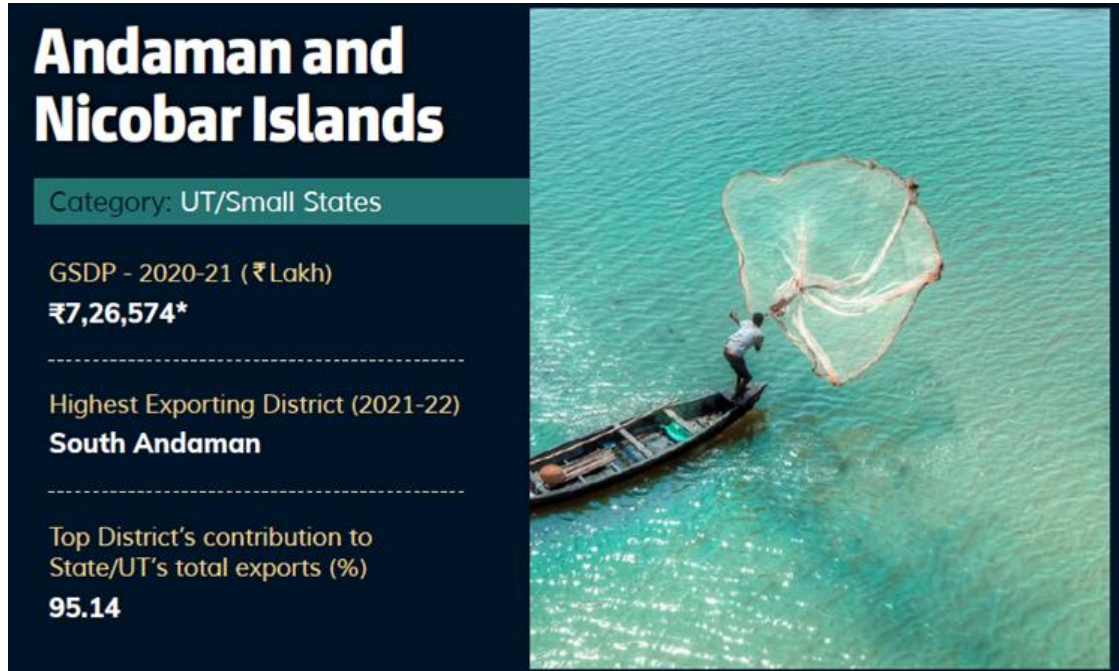
State	District	Top Contributing Product	Export Concentration
Gujarat	Jamnagar	Petroleum Product	Very High
Gujarat	Surat	Diamond	High
Maharashtra	Mumbai Suburban	Diamond	Medium
Maharashtra	Mumbai	Precious Metals	Medium
Maharashtra	Pune	Engineering Goods	Low
Gujarat	Bharuch	Chemical Products	Very High
Tamil Nadu	Kanchipuram	Automotive Products	Medium
Gujarat	Ahmadabad	Medicine	Low
Uttar Pradesh	Gautam Buddha Nagar	Electronic Items	High
Karnataka	Bengaluru Urban	Medicine	Medium
Gujarat	Kachchh	Agriculture Product	Low
Gujarat	Devbhumi Dwarka	Petroleum Product	Medium
Karnataka	Dakshina Kannada	Petroleum Product	Low
Maharashtra	Thane	Engineering Goods	Low
Andhra Pradesh	Visakhapatnam	Others	High
Maharashtra	Raigad	Agriculture Product	High

State	District	Top Contributing Product	Export Concentration
Tamil Nadu	Chennai	Petroleum Product	Low
Haryana	Gurugram	Automotive Products	Low
Odisha	Jharsuguda	Engineering Goods	Very High
West Bengal	Kolkata	Precious Metals	High
Tamil Nadu	Tiruppur	Textiles	High
Gujarat	Vadodara	Textiles	Low
Gujarat	Valsad	Chemical Products	Low
Andhra Pradesh	East Godavari	Engineering Goods	Medium
Dadra And Nagar Haveli	Dadra And Nagar Haveli Total	Textiles	High

Top 25 districts, in terms of export share, collectively contribute **54% of the total exports** from the country.

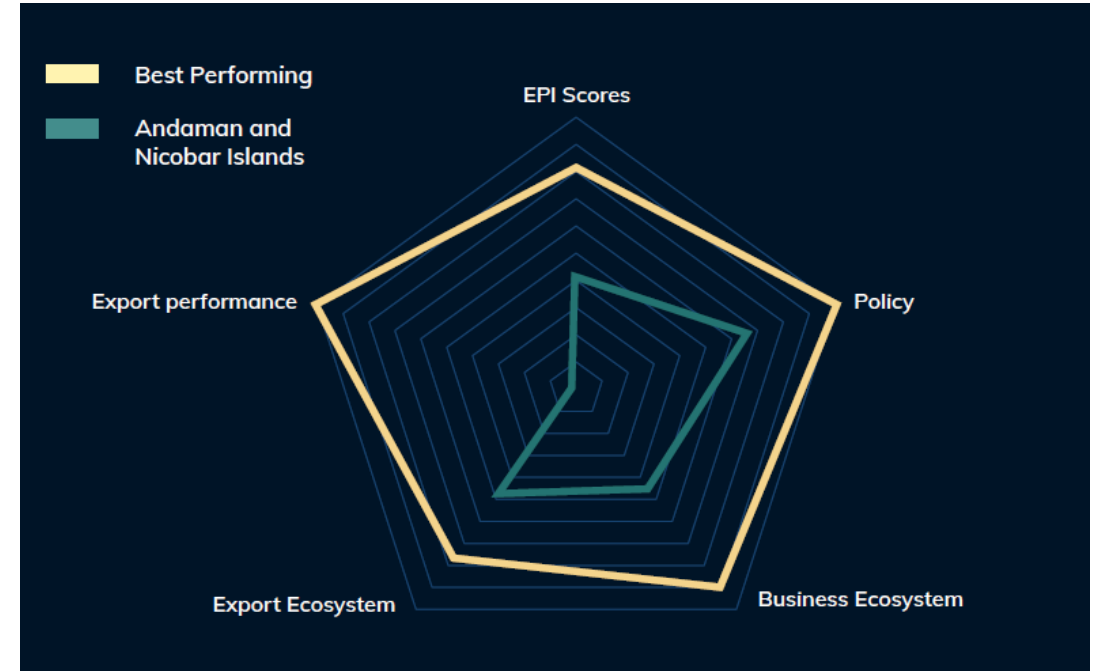
Illustration of State Level Score Card

Score Card : Andaman & Nicobar Islands (1/2)



For Each State/UT, the following is provided for holistic understanding :

- Latest GSDP,
- Top Exporting District
- Contribution of top exporting district to state's overall exports



Spider graph* shows visual assessment of how a **state/UT performs on the overall EPI score and 4 pillars relative to the best performing state/UT**. The shape and position of the lines/shapes indicate areas where state/UT excels or lags behind relative to the best performing.

**The spider graph is useful for displaying patterns, strengths, and weaknesses across different variables simultaneously.*

Score Card : Andaman & Nicobar Islands (2/2)



40.73

EPI 2022 Index Score

Sub Pillar Score

Policy

65.09

Export Promotion Policy

75.47

Districts Level export plan	100.00	●
Export promotion policy/ strategy	100.00	●
Facilitation measures around export promotion	0.00	●
Marketing Support for international market	0.00	●
ODOP - District Export Plan	100.00	●
Product Quality and standards: Information	100.00	●
Product Quality and standards: Workshops Conducted	100.00	●
Thrust sectors for exports	100.00	●
Valid sector-specific policy for exports	100.00	●

Institutional Framework

54.71

Appointed Export Commissioner	0.00	●
District Export Promotion Council (DEPC) in district	96.77	●
Grievance redressal portal: Functional	100.00	●
International Access: foster export	0.00	●
State-Centre coordination cell	100.00	●

Indicator Level Score

Low Scores =
Areas of Intervention

Export Performance

1.20

Growth and Orientation

1.86

Availing origin certificate: Number of Exporters

27.00

Export growth in 3 years

8.29

GI Products

0.00

IEC [as a percentage of total business]

7.02

Increase in number of exporters

4.45

Merchandise exports to GDP ratio

0.02

Export Diversification

0.53

Export Concentration

0.00

Market Penetration Index

1.13

Overperforming

Performing within expected range

Underperforming

Strengths and Weaknesses are relative to 10 regions of similar GDP: Dadra and Nagar Haveli & Daman and Diu, Mizoram, Nagaland, Arunachal Pradesh, Sikkim, Manipur, Meghalaya, Puducherry, Chandigarh

Snapshot of data for States/UTs

Appendix III

State	HS Code	Commodity Description	Sum of April, 21 To March, 22 Value(INR)	Countries importing that product
Andhra Pradesh	030617	OTHER SHRIMPS AND PRAWNS : FROZEN	209056903134	59
Andhra Pradesh	890590	OTHR VSSLS, FIRE FLOATS ETC	118201781896	7
Andhra Pradesh	300490	OTHER MEDCNE PUT UP FOR RETAIL SALE	63950413804	124
Andhra Pradesh	100630	SEMI/ WHOLLY MILED RICE W/N POLISHED/ GLAZED	58782745015	51
Andhra Pradesh	720230	FERRO-SILICO-MANGANESE	58487227223	71
Andhra Pradesh	720711	PRDCTS CONTNG BY WT<0.25% CRBN, OF RCTNGLR (INCL SQR) CRS-SCTN	52925130400	11
Andhra Pradesh	293359	OTHER MTRCYCLC CMPNDS CNTNG A PYRIMIDINE RING (W/N HYDRGNTD	36109178083	80
Andhra Pradesh	090421	FRUITS OF THE GENUS CAPSICUM OR OF THE GENUS PIMENTA: DRIED,	35446681309	46
Andhra Pradesh	240120	TOBACCO PARTLY OR WHOLLY STEMMED/STRIPPED	34260605686	56
Andhra Pradesh	160529	OTHER SHRIMPS AND PRAWNS (NOT IN AIRTIGHT CONTAINER)	31512475777	22

Appendix III provides information on top 10 exports of state/UT with HS code 6 digit, commodity description , value of exports and number of countries exporting the product.

This data is provided in the Appendix of EPI 2022 Report. It gives snapshot on sources, definition, year, information on top 10 export basket of all states/UTs in India.

Appendix IV

Pc Code	State	PC Description	April, 21 To March, 22 Value(INR)
E7	Andaman & Nicobar	MARINE PRODUCTS	75878978
L3	Andaman & Nicobar	IRON AND STEEL	5111524
S1	Andaman & Nicobar	HANDCRFS(EXCL.HANDMADE CRPTS)	1627659
F9	Andaman & Nicobar	LEATHER GOODS	1266418
L5	Andaman & Nicobar	ALUMINIUM, PRODUCTS OF ALUMINM	447909
O3	Andaman & Nicobar	PUMPS OF ALL TYPES	170570
Q3	Andaman & Nicobar	MANMADE YARN,FABRICS,MADEUPS	157557
L4	Andaman & Nicobar	PRODUCTS OF IRON AND STEEL	125709
K8	Andaman & Nicobar	PLASTIC RAW MATERIALS	107568
H1	Andaman & Nicobar	SPORTS GOODS	61250

Appendix IV provides information on top 10 exports of state/UT with PC , commodity description and Value of exports for all states/UT.

Thank You
